Defense Trade Advisory Group (DTAG) Plenary Meeting Minutes
October 22, 2020 (1:00-4:34 pm)
Meeting held virtually (hosted by DDTC)

Agenda:
- Welcome
- ITAR Reorganizations - Exemptions Working Group
- Compliance Guidelines – Risk Matrix Working Group
- Annual Part 130 Reporting - Forms Working Group
- DTAG Observation - The Utility of §126.4 Working Group
- Wrap-up

Ms. Andrea Battista, Department of State, Directorate of Defense Trade Controls (DDTC) provided instructions to the audience on the virtual web connections for today's Plenary.

Introductory Remarks by Ms. Andrea Dynes, DTAG Chair

Ms. Andrea Dynes, DTAG Chair, brought the meeting to order at 1:00 pm, and welcomed the public participants.

Ms. Dynes provided remarks to the DTAG membership expressing her thanks for their support in this new DTAG term. Special thanks was provided to the DTAG members who supported the taskings for today's Plenary; particularly, the Working Group Co-Chairs who shepherded the members to pull together an excellent work product. Ms. Dynes recognized Mr. Tom Donovan who is the DTAG Vice Chair this term, Ms. Sandra Cross who has been acting as the DTAG Recorder, and Ms. Ashley Farhat who has served as the DTAG membership manager. A full list of DTAG members is available on the DDTC website.

Ms. Dynes thanked Deputy Assistant Secretary (DAS) Michael Miller, Department of State, DDTC, Designated Federal Officer (DFO) and Mr. Neal Kringel, Director of Management Staff, State Department, DDTC, Alternate Designated Federal Officer (ADFO) for their support of the DTAG and today's Plenary.

Additionally, a thank you was relayed to the various DDTC personnel who supported the Working Groups, Rob Hart (Policy), Catherine Hamilton (Licensing), Terry Davis (Licensing), and Jae Shin (Compliance). Lastly, Andrea Battista was recognized for her support in arranging the technical aspects for today's Plenary session.

Ms. Dynes provided an overview of the agenda for the Plenary meeting. First, Deputy Assistant Secretary (DAS) of State, Directorate of Defense Trade Controls (DDTC), Mr. Michael Miller, will provide introductory remarks. Next, the DTAG Working Groups will present their reports and recommendations on the three topics identified in the Federal Register notice issued on September16, 2020 by the Department of State (as reflected in the above Agenda). Last, this Plenary session will include a separate discussion on DTAG observations of Part §126.4, before concluding remarks.

Ms. Dynes provided an overview of the DTAG Charter including its description of its duties to advise the State Department on defense trade policy and regulations.

Ms. Dynes also noted that the DTAG Working Groups' formal presentations and "White Papers" (to be supplied later) will post on the DDTC website at a later date.

Ms. Dynes introduced Mr. Miller and turned the meeting over to him to provide opening remarks.

Remarks by Michael Miller, Department of State, Deputy Assistant Secretary/PM

DAS Miller thanked Ms. Dynes and Mr. Donovan for their leadership of the DTAG. DAS Miller acknowledged this is the second virtual Plenary of the DTAG and commented on the general shift required to virtual settings during this pandemic. He welcomed the DTAG membership and the attendees. This is a challenging environment and DAS Miller commended the DTAG for their efforts.

DAS Miller identified that one of his goals when he became DAS was to increase partnership between DDTC and the DTAG and to gain a better use of the DTAG. Progress has been made in this area. DDTC has relied on the DTAG to assist with new systems like DECCS and to evaluate changes to the regulations, licensing procedures, and compliance programs.

DAS Miller provided highlights of updates since the last Plenary session.
Technology:
- The IT Modernization Team continues to work on DECCS making the DECCS system easier to use. The Team has delivered over 450 enhancements to the system. Several instructional webinars on DECCS have been led by Karen Wrege, DDTC Chief Information Officer.
- The Team took advice from the DTAG to reduce the number of paper submissions by expanding the use of the DS-6004 Form, prioritizing updates to the Commodity Jurisdiction and Advisory Opinion application, and, what is most likely a fan-favorite, added the license copy feature.
- Continuing with the recommendations from the DTAG, DDTC is working on batch submissions for more types of forms and documents. The Team is also in the middle of making updates to the website. More work is to be completed on prior updates to the website with a focus to be more functional and user-friendly.
- Efforts to develop the One Form are underway. Advantages of a single form will be useful for industry. This will not be a 2020 item, but progress is being made.
- As more registrants come on board, there is more comfort using the DECCS tool. Overall, the comfort level is improving. Queries to the Help Desk and Response Team are becoming more complex as users are looking for different ways to use the system. They are really trying to use the full functionality to DECCS; lots of opportunity.
- The IT Team is making bi-weekly release updates to DECCS, many changes are directly from the feedback received from industry. DTAG feedback has been helpful in this regard as well. To continue to foster this type of feedback, DDTC has started the process to form a DECCS User Group. The goal of this group is to provide feedback on the

DECCS platform in its current state and future enhancements. This group will be made up of a variety of stakeholders. Interested parties should keep an eye on the DDTC website for future notices about the group and how to participate.

COVID-19

- As a result of COVID-19, DDTC implemented measures to include temporary modifications, suspensions, and exceptions to the ITAR. Details on these changes are found on the DDTC website.
- DDTC adjusted the definition of regular employee to allow continued teleworking operations during this public health emergency. DDTC has received positive feedback from industry and allies and are considering making this change permanent. Public comment will be solicited.
- DDTC reduced the registration fees for a one-year period starting in May. A review is underway to review the impact of the reduction and determine if this fee structure should continue.
- Business continues. DDTC Licensing Officers have continued to work during this pandemic while taking appropriate precautions for their in-office presence. These efforts support the defense industrial base.
- DDTC has processed close to 20,000 license applications to date which translates to exports that support U.S. jobs, allies, and the economy.
- The Compliance office has been very active; in particular, there are over 14,000 registered entities with DDTC. This is a steady increase over the year. They will be watching this upward trend closely as industry continues to deal with the pandemic. Since the last Plenary, DDTC has received over 6,000 renewals and over 700 new registrations.
- Compliance has introduced several new registration FAQs and user guides for the DECCS Registration system.
- In FY 2019, DDTC received 654 voluntary disclosures and issued 57 directed disclosures.
- They are currently monitoring 4 company consent agreements. In August, Compliance successfully closed the 18-month Darling Industries Consent Agreement.
- DDTC has supported criminal trials and prosecutions for 22 entities who violated the Arms Export Control Act (AECA).

ITAR/USML Changes

- DDTC is close to publishing the first rule in a multi-rule initiative to improve the overall content and organization of the ITAR. This is expected to include consolidating definitions, streamlining licensing requirements and consolidating exemptions.
- The first rule will consolidate definitions and improve their organization into Part 120. These changes will be implemented 180 days from publication in the Federal Register. DDTC specifically asked for an extended period for the rule, given the challenges during this time and to allow industry the ability to implement.
- A temporary final rule was published to amend the ITAR to temporarily amend the ITAR in §126.1 to reflect the temporary waiver of the policy of denial on the export, reexport, retransfer, and temporary import of non-lethal defense articles and defense services destined for or originating in the Republic of Cyprus. This waiver is effective for one fiscal year starting October 1, 2020. The policy of denial on lethal defense articles and

services remains unchanged. DDTC will be looking to see what the experiences of industry are in their working with Cyprus under this change.

- In July, the President signed an Executive Order requiring Hong Kong to be treated as the Peoples Republic of China (PRC) under the AECA. Hong Kong is now considered to be included in the China entry under §126.1(d)(1) and therefore subject to a policy of denial for transfers subject to the ITAR. There is a specific carve-out to support Hong Kong persons residing outside the Hong Kong Special Administrative Region or the PRC who were previously authorized access to defense articles subject to the ITAR.
- This action is a result of the Chinese Communist Party's fundamentally undermined Hong Kong's autonomy and therefore increasing risk that sensitive U.S. items will be illegally diverted to the PRC.

It is a very busy time for us all and DAS Miller expressed how proud he was that DDTC has been able to meet its core mission.

DAS Miller once again thanked the DTAG and turned the meeting over to Ms. Dynes.

ITAR Reorganization - Exemptions Working Group Presentation

Ms. Dynes introduced the ITAR Reorganization - Exemptions Working Group chaired by Ms. Johanna Reeves and Mr. Jim Bartlett. A copy of the slide presentation can be found on the DDTC webpage (under the *About DDTC* tab, look for DTAG).

Background of the tasking:
- The review of this inquiry is intended to focus on higher level considerations of the ITAR reorganization rather than recommended rewrites of any particular exemptions.

The Working Group tasking summary:
- Provide feedback to DDTC as it works to consolidate exemptions into a single part of the ITAR. Are there policy or presentation issues (e.g. opportunities to standardize language, clarify availability for classified data, clarify availability for foreign parties, etc.) that DDTC should consider in order to make exemption availability and application as clear as possible?

Key items discussed:
- The Working Group (WG) obtained clarification on the tasking from DDTC Rob Hart, Regulatory & Multilateral Affairs Division Chief.
- The WG met weekly to discuss the tasking and conducted internal surveys to gather inputs from the Working Group.
- DDTC asked the WG to recommend a simple approach to organizing all ITAR exemptions in one Part of the ITAR making them easier to find.
- The DTAG was not asked to re-write exemptions or create new exemptions.
- Once the WG started, it became apparent that the tasking contained hidden complexities.

- The WG's approach to the tasking was to first review the ITAR to identify all the exemptions and determine how best to organize them into one Part in the ITAR.
- We realized the ITAR contains exemptions, exceptions and exclusions, but none of these terms are currently defined, so the WG had to define the undefined words "exemptions," "exceptions," and "exclusions".
- The WG also reviewed exemption requirements and restrictions, which are also spread throughout the ITAR, to determine whether these can be consolidated and streamlined.
- DDTC did not provide any drafts to review, so to develop our comments the WG created three models for DDTC to consider and listed the pros and cons for each model.
- The WG included a review of previous DTAG analysis of general licenses compared to AECA exemptions (Working Group 4, May 14, 2020 Plenary), and a review of the responses of DTAG to the DDTC request for public comments in 84 FR 36040 (July 16, 2019).

Discussion of what DTAG recommended for the reorganization:
- DDTC should define the words "exemption", "conditions", "exceptions", and "exclusions" in the ITAR.
- List the conditions that limit use of exemptions and include the exceptions to those conditions in the same chapter as whether the exemptions are listed.
- If exemptions must be moved, move all exemptions, conditions, and exceptions to ITAR into Part 125 except the exemptions in Part 122 for registration and in Part 129 for brokering.
- What would the exemption Part (e.g., Part 125) include? There are exemptions throughout the ITAR. The DTAG proposes DDTC use the following definitions:
    - **Exemption:** An *exemption* is advance authorization for the export, temporary import, or defense service without the need for written authorization (license, agreement, or other writing).
    - **Condition:** Criteria that limit the use of exemptions or impose additional requirements.
    - **Exception:** Criteria that negate the condition for the use of an exemption.
    - **Exclusion:** A transaction that is not subject to the jurisdiction of the ITAR. (In some instances exclusions are currently labeled as exemptions in the ITAR.)
- At the previous DTAG Plenary, the DTAG compared ITAR exemptions to the General License (GL) of foreign licensing regimes. GL's are different from ITAR exemptions.
- DDTC should define what is meant by "exemption," what "conditions" must be met to use each exemption, and what "exceptions" there are to those conditions.
- The WG favored limiting the coverage of which exemptions are moved.
    - o Exclude Part 122 registration exemptions.
    - o Exclude Part 129 brokering exemptions.
- One recommendation that only the exemptions for exports, reexports, and temporary imports, be moved, leaving the others where they are.

Reorganization Models
- The WG felt creating models was an effective approach to address the tasking from DDTC.
- General recommendations for reorganization

- Use new section numbers (do not reuse existing section numbers). Replace removed sections with "[Reserved]". Reusing old sections could lead to issues with recordkeeping and AES filings to name a few.
- Preserve the current wording and structure of each exemption.
- Do not use letter codes like the Export Administration Regulations (EAR).

The Models

- **Transaction Model**
  - Similar to the EAR 15 CFR Part 740.
  - Requirements and restrictions from other ITAR parts, consolidated in beginning sections.
  - Organize exemptions by categories.
- **Matrix Model**
  - Similar to the Society for International Affairs' "ITAR Exemptions Handbook"©.
  - Each exemption is self-contained, with the requirements and restrictions listed in every exemption.
  - Requirements and restrictions presented in matrix form.
- **Simple Model**
  - Move all exemptions and common restrictions (except registration and brokering) into Part 125.
  - Question still remains as to what to do with conditions, exceptions, and exclusions under this model?

Analysis of the Models

- The WG focused on three exemptions for practical application of the Transaction and Matrix models.
  - §123.4 (Temporary Import License Exemptions)
  - §125.4(b)(13) (Technical Data Approved for Public Release)
  - §126.6 (Foreign-Owned Military Aircraft and Naval Vessels; Foreign Military Sales Program)
- These three exemptions were used to test the first two models, and illustrated what the reorganization could look like and the potential effects that such reorganization might have on the structure of an exemption.
- For today's discussion, the WG will focus on §123.4. The White Paper will explore all three exemptions.

Transaction Model

- Follow EAR structure and organize exemptions by category.
  - Hardware exemptions
  - Technical data exemptions
  - Activity-based exemptions
- List common conditions with exemptions, like the EAR.
- The ITAR contains temporary import exemptions at:
  - §123.4 (temporary import)
  - §123.19 (incidental border shipments)
  - §126.4 (U.S. Government)

- o §126.5 (Canada)
- Placing all temporary exemptions are in one place requires breaking up the exemptions into other sections (such as the Canadian exemption) or creating redundancies.
- Within §123.4(a) alone, each of the subparagraphs (1-5) had slightly different conditions, so a common introduction would be difficult.
- **Positives of the Transaction Model**
  - o Structure aligns with Export Control Reform goals of harmonizing ITAR and EAR.
  - o Intuitive, especially for novice users.
  - o Lends itself to a new 3-letter naming system, if desired.
- **Negatives of the Transaction Model**
  - o Reorganization into types or categories may not be intuitive.
  - o Organizing into specific categories could prove difficult with duplications and overlapping, or result in exemptions being split up into different categories.
- **Special Considerations for the Transaction Model**
  - o Confusion surrounding defense services may require identifying exemptions by type of defense service rather than grouping under a general header.
  - o Structure of EAR exceptions are very different than that of the ITAR.
  - o Many exemptions in the ITAR have subparagraphs that address certain conditions. Do they stay with the exemption or are they listed separately?
  - o Will EAR model work for ITAR exemptions?
  - o How should exemptions that fit into more than one category be listed?

Matrix Model
- Each exemption would include a matrix for applicability and conditions.
- Individual conditions may be repeated for each exemption.
- May identify grouping for ease of use. Examples:
  - o Temporary
  - o Countries
  - o Defense Services
- An example in the presentation material depicts what the matrix models would look like.
- **Positives of the Matrix Model**
  - o Exemptions may be easier to understand, as all the restrictions and coverage is self-contained. This may be useful for new user of the ITAR.
  - o Minimizes the need to restate conditions or create duplicate sections.
  - o Provides a visual way to understand applicability and restrictions.
- **Negatives of the Matrix Model**
  - o Layout will be complex and cost more to publish.
- **Special Considerations for the Matrix Model**
  - o Ensure that the "X" = "Excluded" in Supplement No.1 to Part 126 is not continued, because these are "conditions," not "exclusions".
  - o Alternative: Add comprehensive matrix to cover all exemptions as a supplement to the exemption part (see Simple Model).

Simple Model

- The easiest way to move all exemptions to one part of the ITAR. It is a "cut and paste" operation, moving exemptions from other locations into ITAR Part 125, starting at currently unused §125.10.
- Substitute the word "[Reserved]" for the removed sections.
- At the beginning or end of the listing of the exemptions, list the condition sections, such as requirements for registration, certification, reporting, and the exceptions to the conditions.
- To improve the Simple Model, DDTC could also move the conditions, exceptions, and exclusions with exemptions into Part 125.
- DDTC could either list them in random order or in groups with common conditions.
  Example:
  - Country-Related:
    - 123.9(e): Reexport to NATO, Australia, Israel Japan, New Zealand, and the Republic of Korea
    - 123.13 Shipments by air via a foreign country
    - 123.17(g): Body armor to Afghanistan
    - 124.2(c)(6): NATO countries, Australia, Japan, or Sweden
    - 126.5: Canada
    - 126.16(e)(1)-(4): Australia Treaty
    - 126.17(e)(1)-(4): UK Treaty
- Example of Part 125 under the Simple Model
  - 125.1 to § 125.9 (unchanged)
  - 125.10 Temporary Import for overhaul, service, and repair
  - 125.11 Temporary import for enhancement or upgrade
  - 125.12 Temporary import for exhibition, demonstration, or marketing
  - 125.13 Articles rejected for permanent import
  - 125.14 Temporary import under FMS
  - 125.15 Temporary import for incorporation into other articles
  - 125.16 Exports to FTZ and U.S. Customs bonded warehouses
  - 125.17 Re-export to NATO, Australia, Israel Japan, New Zealand or S. Korea
  - 125.18 Movements of Vessels and Aircraft Covered by the U.S. Munitions List Outside the United States
  - 125.18 Domestic air shipment via a foreign country
  - 125.19 Unclassified hardware in furtherance of agreements
  - (many more)
- Exemptions already in Part 125 would remain in their current position. There are about 55 exemptions to be added to Part 125.
- **Positives of the Simple Model**
  - This model will be easy for DDTC to create.
  - Follows the organization of the current ITAR, so it involves the fewest changes, and is easier for industry to adopt and implement.
  - Will not require other exemptions to be broken up or duplicate language between exemptions.
- **Negatives of the Simple Model**

- What is the return or benefit to industry? This model is just a rearrangement, and clarifies only with new definitions. The WG could not identify a real benefit to industry.
- Internal company systems and materials to process exemptions will need to be changed and will be costly.
- Does not advance the understanding and ease of use of exemptions.
- **Special Considerations for the Simple Model**
  - If moving exemptions into one part, such as §125 or §126, exemptions that are already in that part would not need to be moved or change sections numbers.
  - Moved sections should be replaced by "[Reserved]".
  - Conditions (requirements and restrictions) should be included in Part 125.

Other Analysis Background
- The WG polled its members and asked about working with three letter codes like the EAR. Most of the WG opposed using EAR-style letter codes for ITAR exemptions because they are too similar to the EAR, and would cause confusion, even if distinguished with a prefix (example "I-GOV" or "DS-GOV").

Recommendations by the Working Group
- **Positives**
  - Listing all exemptions in one Part rather than scattered throughout the ITAR will make them easier to find.
- **Negatives**
  - It will take time to get used to the new section numbers.
  - It will be expensive and take time to revise documents and software containing current section numbers.
- **Recommendations:**
- Move all exemptions (except registering and brokering) to Part 125, using unused section numbers. Replace the removed sections with "[Reserved]".
- Include the exceptions, exclusions, and conditions in Part 125.
- DDTC should define exemptions, conditions, exceptions to conditions, and exclusions from the ITAR in the definitions part of the ITAR.
- When moving the exemptions to Part 125, there is no need to change the current wording of the exemptions.
- Do not use letter codes.
- Help users by publishing on the DDTC website:
  - Transition table from old section numbers to new section numbers
  - FAQs
  - Matrices for quick reference
  - Interpretive guidance
- Add cross references in the text of the ITAR from the old to new locations.
- The DTAG is ready to help.

Questions posed to the ITAR Reorganization - Exemptions Working Group.
- *Rob Hart, DDTC* expressed his appreciation for the Working Group's efforts. DTAG's examination of the different models went above expectations. The definitions provided an

important nuance to what is being discussed in the tasking. DDTC generally agrees with DTAG on which exemptions will be in one part of the ITAR. DDTC had not considered moving the registration exemptions.

- *Rob Hart, DDTC* asked about the argument the WG made against the 3 letter code. Is there a better way to assign codes? Any other naming models? *Mr. Bartlett responded,* the WG considered adding a "I-" or "DS-" reference to the 3-letter exceptions, but even with that addition, did not recommend the letter codes for exemptions. With over 55 exemptions, the 3 or 4-letter codes will be confusing. *Ms. Reeves commented,* the WG discussed the challenges of carving up exemptions and force-fitting the ITAR exemptions into codes, but the ITAR is not built for that. This could be very challenging. The WG put together a list of possible category names, but in so doing we realized that some of the exemptions will fall into multiple categories. *Mr. Bartlett commented,* the goal could be accomplished with a website matrix where DDTC could list all the temporary export exemptions and guide the exporter to the right code; similar to what is shown in the SIA Exemptions Handbook.
- *Rob Hart, DDTC,* asked about the existing section numbers and for a broader explanation on avoiding section number assignment. *Mr. Bartlett responded,* the intent is to not reuse an exemption number from something else that will remain in the ITAR. For example, if moving §126.4 to Part §125, §126.4 would state "[Reserved]". Re-using sections numbers would cause confusion in industry, Census, and Customs.
- *Rob Hart, DDTC* commented that the matrix idea was appealing, and asked if the WG was favoring one of the models? *Mr. Bartlett responded* that the WG favored the Simple Model [it was later clarified to DDTC that the WG had voted not to recommend a particular model because of the lack of information available to the DTAG in terms of existing DDTC drafts.] The transaction model (the EAR style model) or the Matrix Model (the SIA handbook style model) would take a lot of work. The most value for a new user to the ITAR will be the Matrix Model. *Ms. Reeves commented* that there were challenges with all the models, and that DDTC may end up with a hybrid of all 3 Models. It may work best to experiment to see what works.

Mr. Donovan explained that due to the virtual nature of the Plenary, the DTAG was asked to vote earlier in the week for approval of the presentation. The vote passed in favor of the presentation.

The ITAR Reorganization - Exemptions Working Group "White Paper" will expand on the presentation and will be made available on the DDTC website (under the *About DDTC* tab, look for DTAG).

Compliance Guidelines – Risk Matrix Working Group Presentation

Ms. Andrea Dynes introduced the Compliance Guidelines Working Group chaired by Mr. Matthew Fogarty and Mr. Jeff Merrell. A copy of the slide presentation can be found on the DDTC webpage (under the About DDTC tab, look for DTAG).

Background of the tasking:

- In connection with the May 2020 Plenary, DTAG recommended in its recent white paper on Improving Compliance Guidelines to develop a compliance risk matrix as part of a long-term solution (see p. 13 of the WP). The defense industry would greatly benefit from this resource.

The Working Group tasking summary:
- DTCC proposes DTAG to help develop a comprehensive compliance risk matrix that could be used by various business functions that are involved in ITAR activities to help prevent ITAR violations and diversions.

Key items discussed:
- The Working Group's methodology for this tasking involved
  o Began with the DTAG May 2020 WG2 White Paper
  o Reviewed risk matrices issued by other USG agencies (primarily the Office of Foreign Assets Control (OFAC))
  o Discussion with Jae Shin and his team at DDTC
  o Established intended scope of guidance
  o Identified major categories of ITAR-related risk, not looking at other agencies
  o Within each category, identified specific risks
  o Characterized specific risks along a low-medium-high axis
- The WG had to rethink what 'risk' meant.
- The WG discussed a specific excerpt from DTAG May 2020 White Paper and used the OFAC risk example as a good start. However, the WG kept tripping over what risk the WG was trying to address.
- Looking at other USG risk matrixes, the one from OFAC and FFIEC were reviewed.
  o Financial Institutions (incorporated in the Enforcement Guidelines, Appendix A to 31 CFR 501)
  o Securities Sector
  o Charitable Sector
- Federal Financial Institutions Examination Council (FFIEC)
- [Bank Secrecy Act Quantity of Risk Matrix](#) (BSA/AML Manual, Appendix J)
- The OFAC Risk Matrix was analyzed more closely to help identify and define risk.

Issues and Considerations
- How is the matrix intended to be used?
  o By Industry?
  o Internally by DDTC?
  o By other USG agencies or other third parties as an audit tool or assessment?
- Narrowed the focus of the WG after talking with Jae Shin, DDTC.
- What "risk" are we trying to address/measure?
  o Likelihood of an ITAR violation?
  o Likelihood of a compliance program breakdown?
- How should risks be evaluated?
  o Take the OFAC matrix as an example on how best to define the risk.
  o Objectively or subjectively?

- o Not all risks are created equal: in many cases, the presence of one high risk factor may warrant significant commitment of compliance resources.
- How do we deal with unique situations and outliers? Is the guidance equally applicable to large organizations and small organizations?
- A number of issues came up.
  - o A lot of items from universities and academia differ from industry.
  - o Risk may impact organizations differently. For example, small companies with significant overseas activity and less sophisticated compliance programs may have a higher risk profile than a larger organization with extensive resources and a comprehensive compliance program.
- The WG struggled with finding a way to thread the needle and create something that is equally applicable across the board.

Defining Risk
- Turned to OFAC, had a great definition of 'risk'. Took the OFAC example and turned into an ITAR focused definition.
  - o *Risks in ITAR compliance include potential threats or vulnerabilities that, if ignored or not properly addressed, could lead to unauthorized exports or other ITAR violations and that could negatively impact an organization's reputation and business.*
- Just because a company has a factor that might be labeled as high risk does not mean a violation is expected to happen.
- Effective compliance measures may make that risk align more closely to low or medium risk.

Recommendations by the Working Group
- DTAG recommends DDTC provide a framework or other supplementary guidance to accompany the compliance risk matrix ("CRM")
  - o The OFAC risk matrices are issued within the context of broader, sanctions-specific compliance guidelines, such as OFAC's Framework
  - o This context provides important definitions and expectations that undergird each matrix
  - o Consistent with the May 2020 WG2 findings, more expansive ITAR compliance program guidelines—perhaps to be further worked via future DTAG tasking—would be a useful tool for industry that would provide a framework for how best to use the compliance risk matrix
  - o The DDTC guidelines could be expanded and made more relevant to industry.
- The WG received clarification from DDTC that the risk matrix was not intended to be incorporated into the ITAR as a regulatory tool but would be meant as a tool for industry.
- However the WG gave some thought to how DDTC could use the matrix.
- DTAG recommends that DDTC not use the draft CRM to establish regulatory compliance requirements.
  - o The draft CRM is not intended to be comprehensive, nor is it universally applicable
  - o For this reason, DTAG recommends issuing the CRM via web guidance and not incorporating the CRM into regulations, even as an annex or appendix

- However, the CRM could be useful to DDTC in determining whether an organization's compliance program appropriately addresses ITAR compliance risk and should merit mitigation credit in an enforcement context.
- DDTC could use the matrix to make a determination if mitigation credit is warranted in certain circumstance.

Risk Matrix
- The WG benefitted from a strong, diverse membership and different industry experiences to craft a proposed ITAR Compliance Risk Matrix.
- The matrix is not meant to assure companies that if they address all of the risk factors identified, that no violations will take place.
- Not all risks are created equally.
- Organizations may use the tool:
    o To assess their overall level of ITAR compliance risk
    o To identify specific areas where potential threats or vulnerabilities may be present and that, if not addressed, could lead to an ITAR violation
    o To aid in self-assessment of an ITAR compliance program and in identifying gaps or areas where compliance failure is possible
    o To assist in determining how to allocate limited compliance resources
- The matrix is not intended to serve as comprehensive guidance on the requirements of the ITAR or on how DDTC may or may not enforce ITAR requirements
- Critical to note that the presence even of one "high risk" vulnerability could necessitate substantial compliance resources, including policies and procedures to appropriately mitigate ITAR compliance risk
- The WG was not able to address all topics for this tasking and had a few items that remained open which may make the matrix more useful. These ideas need to be fleshed out more and may be useful to utilize the DTAG to provide assistance at a future Plenary.
    o **Self-Assessment.** Checklist or worksheet organizations can use to develop criteria and review and assess performance in each area of risk. It would be helpful for an organization to have a tool a way to assess themselves and how to quantify and prioritize risk.
    o **Risk Scoring.** Prioritization mechanism that accounts for criticality of risk area, likelihood of a compliance issue, and impact of a failure—*see, e.g.,* "Playbook: Enterprise Risk Management for the U.S. Federal Government," U.S. Chief Financial Officers Council & Performance Improvement Council, at p. 88. Determine the likelihood of the risk and the impact of that happening on the organization. There needs to be a way to measure the criticality of the risk on the organization.
- In drafting the matrix, the WG started with the prior DTAG's efforts and brainstormed additional risk factors. Then took those and put into four buckets to identify ITAR risks, gaps, threats, and vulnerabilities. The fifth bucket relates to universities.

Categories of Risk
- The WG evaluated four major categories:
    o **Risks related to the enterprise**—size, structure, ownership, locations, markets, product lines, etc.

- o **Risks related to ITAR-relevant activities**—sensitivity of products and technologies, types of activities (R&D, manufacturing, sales, etc.), nature and extent of international work, intangible exports and foreign national employees, government contracts, etc.
  - o **Risks related to specific functions within the organization**—physical and cyber security, data and property management, engineering and R&D, sales, logistics, and other business functions
  - o **Risks related to compliance program elements**—extent of management commitment, culture of compliance, scope and effectiveness of compliance measures, etc.
- The WG wanted to be careful not to suggest that universities have more risk than other parts of industry. Every industry has their own level of risk associated with their international activity. Universities are not being singled out in this presentation saying they have more risk.
- DTAG's proposed CRM highlights university-specific issues and terminology within each major category of risk—*e.g.*, fundamental research, international students and faculty, communication among departments, etc.
- However, consistent with GAO Report 20-394 (May 2020), it may be useful for DDTC to issue a separate, university-specific CRM
  - o This would also mirror OFAC's approach to industries with diverging concerns and terminology
- Other industries may benefit from similar treatment—*e.g.*, freight forwarders, space-related industries, etc. that have different types of activities and therefore different risks. Several organizations are touched by the ITAR that have their own specific issues and terminology. It may be best to separate those industries out of the general matrix and create their own.

Levels of Risk
- The WG adopted OFAC's approach and identified Low, Medium, and High risk characteristics within each risk area, with some modifications (OFAC uses the word Moderate for Medium)
- The presence of high or medium risk factors does not mean an ITAR violation is likely
- Indeed, such risks may be mitigated through effective compliance measures
- As a result, an organization's overall risk can be low despite having medium or high risk factors
- Risk is a spectrum. Dividing risk into low, medium or high doesn't help to depict the full spectrum of risk.
- The WG looked at each risk factor individually. Just because a company has one area of high risk doesn't mean they are likely to have a violation.
- By putting in effective compliance measures could mitigate higher risk factors.
- If a company has High risk factors, they could have an overall low risk profile due to their compliance measures.
- **Low Risk**
  - o Factors that reflect a reduced risk of potential ITAR violations
  - o Medium or high risk factors can become low risk as a result of compliance measures

- **Medium Risk**
  - Factors that reflect an increased risk of potential ITAR violations if ignored or not properly addressed
  - Compliance measures can decrease medium risk factors to low risk
- **High Risk**
  - Factors that reflect a significantly increased risk of potential ITAR violations if ignored or not properly addressed
  - Compliance measures can decrease high risk factors to medium or low risk
- Sample sections of the Risk Matrix were discussed (see Slide Presentation)
- Within each of the four buckets, the WG broke risks down into Low, Medium, and High. Much more detail on the Risk Matrix will be provided in the White Paper.
- Examples provided from the buckets:
  - If you are with a company with a low volume of export activity, you may fall at the lower end of the risk spectrum.
  - R&D companies dealing with high level technologies, and employ foreign persons, may fall at the higher end of the risk spectrum.
  - Storing data outside the U.S. or employing non-U.S. IT resources is at the higher end of the spectrum as compared with IT resources located entirely within the U.S.
  - Sourcing some ITAR products from foreign sources may be a medium level of risk.
  - Compliance program elements themselves could lead to vulnerabilities if they are not implemented. Leadership at the top is an important element; is it present or not could determine the level of risk for your company.
- An effective risk based compliance program tailored to the matrix will help mitigate the higher level of risk
- Compliance guidelines DDTC has published include recommendations on what is an effective compliance program.
- The WG reviewed the risk spectrum for universities and provided a few examples of the risk concerns:
  - If the university only engages in fundamental research vice ITAR defense programs will determine risk exposure most likely on the lower end of the spectrum.
  - A large international population on campus with access to research technology would most likely lead to a higher level of risk on the spectrum.
- The WG pulled together an excel spreadsheet with the Risk Matrix and will provide as part of the White Paper.

Questions posed to the Compliance Guidelines – Risk Matrix Working Group
- *Jae Shin, DTCC*, thanked the WG members for an informative presentation. He appreciated the coordination with the DTAG members to create a Compliance Risk Matrix. He is looking forward to seeing the White Paper. DDTC is currently bolstering resources on the DDTC website such as improving the compliance guidelines leveraging information from the last DTAG Plenary. DDTC expects to post a Compliance Matrix to its website next year that will be using the information provided today.

- *Jae Shin, DTCC*, asked, in your opinion in terms of implementation how would industry and universities effectively use this matrix? *Mr. Fogarty responded*, the risk matrix will be useful in many respects. A new organization to the ITAR will use the matrix to lay out exactly the areas where the ITAR may impact that organization. It would direct attention to those areas and very quickly allow the organization to figure out where to devote compliance resources. For sophisticated compliance programs who are always vying for more resources, having this resource will help with the discussion with senior management and highlight areas that may need to be better addressed; thereby, justifying the need for additional resources.
- *Jae Shin, DTCC*, asked, your presentation indicates that OFAC has a risk assessment approach that is most useful for ITAR compliance. Would you further elaborate on how you came to this conclusion, especially after reviewing how other agencies approach risk? *Mr. Fogarty responded*, the OFAC matrix is laid out similar to that of the ITAR. Industry is presented with strict liability regulations. Another US Government agency developed a risk-based compliance program. It was the easiest translatable set of guidelines available. Not many other agencies had anything similar.

Mr. Donovan identified that due to the virtual nature of the Plenary, the DTAG was asked to vote earlier in the week for approval of the presentation. The vote passed with approval.

The Compliance Guidelines – Risk Matrix Working Group "White Paper" will expand on the presentation and will be made available on the DDTC website (under the *About DDTC* tab, look for DTAG).

Annual Part 130 Reporting Forms Working Group Presentation

Ms. Dynes introduced the Annual Part 130 Reporting Forms Working Group chaired by Mr. Fred Alvarado and Mr. Steven Pelak. A copy of the slide presentation can be found on the DDTC webpage (under the About DDTC tab, look for DTAG).

Background of tasking:
- In connection with the May 2020 Plenary, the DTAG recommended an alternative reporting approach under Part 130 of the ITAR.

The Working Group tasking summary:
- DDTC requests the DTAG to suggest draft forms that could be used to support such an alternative reporting approach (e.g., annually) to ensure that the reports capture relevant information. Specifically, DDTC requests the DTAG to prepare a draft (a) form or attachment that indicates Part 130 information will be reported at a later date (e.g., annually, but in a separate filing, at the same time as the company's registration), and (b) Part 130 (annual) report form. [There is an opportunity to advance this topic to implementation of practical changes.]

Key items discussed:

- This is a follow up tasking to the Plenary in May 2020. The WG was represented by a diverse group of members. The members were able to raise varying views on the subject tasking.
- The prior DTAG recommended an alternative approach to reporting Part 130. DDTC requested the DTAG to draft a form industry could utilize to make annual reporting possible.

Working Group Methodology
- Build upon May 2020 DTAG Part 130 Working Group:
    o Observations and Findings
    o Survey of DTAG Members regarding Part 130 reporting and compliance practices and challenges
- Consultation with DDTC:
    o To obtain further refinement of Tasking through discussions with Cat Hamilton, DDTC
- The WG met on a weekly basis to discuss collective observations and to review, consider and discuss factual and legal issues, challenges, and aims of Part 130 reporting
- Guided by the principal goal as described in the May 2020 Tasking and this Tasking:
    o The WG recommends annual Part 130 reporting in substance and form which contributes to improved accuracy, transparency, and compliance in Part 130 reporting.
- The WG considered the factual and legal basis to determine eligibility. This review highlighted potential issues and challenges
- Statutory Requirements under AECA §39
    o "Such regulations shall specify":
        ▪ [1] "the amounts . . . of payments,"
        ▪ [2] "the kinds of payments,"
        ▪ [3] "offers, and agreements to be reported,"
        ▪ [4] "the form and timing of reports," and
        ▪ [5] "the names of sales agents and other persons receiving such payments."
    o "Offered or Agreed to be paid"
        ▪ How to implement the statutory requirement without reporting estimations and duplicating future reporting?
- Key aims for reporting include that the substance of the form should:
    o Maintain §130.10 requirements
    o Consolidate information for each Third-Party Agent by program/product, end user
    o Facilitate potential electronic reporting and subsequent searchability
    o Minimize duplicate reporting
    o Eliminate estimated reporting
    o Minimize supplemental reporting required to correct erroneous prior reporting
    o Align report with common financial recordkeeping and business processes
    o Reduce confusion concerning the duty to report "Offered or Agreed to Pay"

An overview of the principal findings on Part 130 reporting from May 2020 DTAG Plenary was provided as a reminder of those recommendations:

- The prior WG identified three principal recommendations to improve the accuracy and transparency of reporting
  - Focus on industry education through FAQs and guidance,
  - Amendments to Part 130 to increase the threshold of the reporting requirement to $1million; and
  - Allow annual reporting of Part 130 in addition to the current transactional reporting in each license submission
- Annual reporting is permitted under the current AECA language in Section §39.
- The WG also determined that annual reporting would be received well by industry and be helpful in accurate reporting to Congress.
- The WG surveyed the DTAG membership to gain an understanding of their experiences with Part 130. The results showed that registrants estimated future payments under Part 130. Estimates are often times incorrect and as a result, many parties would overestimate what was reported in fear of under reporting concerns. Also, duplication of reporting was identified by the membership. When a program utilized a series of license applications, the same Part 130 details would be provided on various submissions resulting in vast duplication.
- There are many challenges to Part 130 reporting when implemented on a transactional basis.

Recommendation by the Working Group
- The WG focused on two main recommendations on annual reporting Part 130 information

1. **Notification to indicate Part 130 information will be reported annually:**
   - The WG concluded that there is no reason to reinvent the wheel. Use what already exists in the DSP-5 vehicle to identify the method of reporting.
   - Recommend notification through the DSP-5 Vehicle in conjunction with the Letter of Transmission
     - Add an option to DSP-5 Vehicle to provide Notice of Annual Part 130 Reporting or Re-define the fourth option to provide Notice to DDTC; and
       - Options in place re Part 130 information (4 in DSP-5 Vehicle)
     - Information can be quickly provided to DDTC on the choice industry has made on how to report Part 130 details
     - Add a standard statement to a Letter of Transmittal/Explanation such as: *"Information regarding whether the applicant or its vendors have paid, offered or agreed to pay political contributions, fees or commissions in amounts specified in 22 CFR 130.9(a) in respect of any sale for which this application is submitted shall be included within the applicant's annual Part 130 Report accompanying its registration renewal."*

2. **Annual Part 130 Report:**
   - The WG presented an overview of how to approach annual reporting.
   a. First, the WG proposed a guidelines document outlining the requirements for Annual Part 130 Reports

- o The guidelines set forth the proposed method of reporting annually with Description, Definitions, and Illustrative Proposed Reports
- o With the White Paper, there will be a set of guidelines for DDTC to consider that describes the reporting process and how to complete the reports along with explanatory notes.
- o Emphasis will be made that the alternative method for annual filing does not otherwise negate or change the requirements of details to be reported under Part 130
  - ▪ Alternative method of reporting to transactional reporting will not be made mandatory or required for all registrants

b. Second, the WG outlined the format of the Annual Reports: Industry would submit two tables with its annual registration renewal to cover the preceding 12 months of activities:
- o **Table A**: Part 130 Payments Made on covered Sales
- o **Table B**: Part 130 Payments Offered or Agreed Upon
- o Both tables are to be submitted with an entity's annual renewal of registration
- o Other possibilities were considered by the WG such as quarterly reporting or timing the reporting the same as Brokering reports, but the consensus of the WG was to post along with an entity's registration

- Annual reporting would not result in changes in substantive Part 130 duties:
  - o §130.10 Info by Applicant/Supplier to DDTC
  - o §130.12 Info by Vendor to Applicant/Supplier
  - o §130.13 Info by Recipients of Fee/Commission
- The reporting construct offered by the WG for consideration fall into two tables. These tables were meant to eliminate duplicative reporting. The first table (**Table A**) answers the question about what Part 130 payments were actually made in the preceding year. The second table (**Table B**) identifies payments offered and agreed upon that have not yet been made. Both are outlined further below:
  - o **Table A** – Part 130 Reportable Payments Made
    - ▪ What Part 130 reportable payments were made by the Applicant / Supplier during preceding year?
  - o **Table B** – Part 130 Reportable Payments Offered or Agreed Upon but Not Yet Made
    - ▪ Identification of which Sales Agents/Persons the Applicant / Supplier during the preceding year offered or agreed to pay Part 130 reportable payments but no payment has been made yet.
    - ▪ No change in the substantive duty to report or triggering circumstances.
    - ▪ Part 130 Reportable Payments - meant to remind us that only certain transactions and payments are subject to Part 130 reporting, i.e., instances meeting the definitional thresholds for "Applicant," "Supplier," and "Vendor" and for "fee or commission" and "political contribution"
- A sample of the Tables can be found in the Slide Presentation. A draft will be provided in the White Paper.

Advantages of Annual Reporting

- Significant increase in accuracy – no estimations to be reported and no encouragement of duplicative reporting
- Facilitate electronic submissions and more uniform or consistent data collection for DDTC's use
- Improved availability of information for U.S. Government
- Single submission and accompanies registration annually
- Consolidated listing of Part 130 Third-Party Agents paid or promised to be paid in a year
- Potential decrease in costs of compliance for the Defense Trade Industry – timing more predictable, few estimations (only where a sale/license and agreed to pay but no payment)
- Correct misleading impression of large payments arising from duplicative reporting and estimated payment over long time periods
- Implementation on trial basis (§130.9(a)(1), §126.3)

Observations
- DDTC maintains regulatory discretion in timing of reporting
- Factual complexity in identifying and assembling Part 130 reportable information
- Annual reporting provides greater accuracy and transparency while easing compliance costs for many Defense Trade companies
- Removes duplication of reporting

Questions posed to the Annual Part 130 Reporting Forms Working Group
- *Terry Davis, DDTC* thanked the WG for the work performed. He acknowledged the hard work of the DTAG and could readily see a great deal of thought was put into this tasking. The WG has put forth a strong case for annual reporting. Over a period of time, it may permit fewer duplications. He liked the report format being offered for consideration. He expressed reservations on giving a person an option to submit transactional reports and annual reports. The concern is this will lead to one company doing one method and another following another course. DDTC would have to consider what details are presented with the registration annual submission versus the DSP-5 Vehicle. The tables the WG presented seem to follow the requirements to meet the report sent to Congress on who is paying, who is receiving, the amount paid, and a description of the sale.

Mr. Donovan advised that due to the virtual nature of the Plenary, the DTAG was asked to vote earlier in the week for approval of the presentation. The vote passed favorably.

The Annual Part 130 Reporting Forms Working Group "White Paper" will expand on the presentation and will be made available on the DDTC website (under the *About DDTC* tab, look for DTAG).

DTAG Observation - The Utility of §126.4 Working Group Presentation

Ms. Dynes introduced the DTAG Observation - The Utility of §126.4 Discussion Working Group to lead a discussion topic requested by DDTC in addition to the three taskings above. Mr. Larry Fink was introduced as the Working Group lead who was supported by Tom Donovan. A

copy of the slide presentation can be found on the DDTC webpage (under the About DDTC tab, look for DTAG).

Background of Request:
- DDTC published revisions to ITAR §126.4 licensing exemption on April 19, 2019. Now that U.S. industry has some experience with the revised exemption, DDTC requested the DTAG provide insights on its utility (positive and challenging experiences) and provide recommendations for improvement.
- **Revised Request:** Identify the "Top Three" Issues related to §126.4 that should be addressed

Key items discussed:
- DDTC requested a smaller tasking to look into a specific matter to share observations of the §126.4 exemption.
- The DTAG appreciates the commitment of DDTC to continually improve the §126.4 exemption.
- The WG methodology
    o Polled DTAG members for their observations and experiences with §126.4 and to gain feedback; both negative and positive
    o Broke those responses into subgroups and formed a small Working Group comprised of DTAG volunteers to organize observations
    o The WG discussed several observations with Rob Hart, DDTC and his team
    o Finally, the DTAG was able to identify a "Top Three" list of issues for DDTC to address, those included:
        ▪ Clarity and Consistency on "Written Direction"
        ▪ Limited use of §126.4 in §126.1 Countries, prior to the ITAR rewrite, utilization was a bit broader
        ▪ International Agreements and the challenges industry has experienced in defining what is an International Agreement

Feedback
- This exemption has been looked at for many years by DDTC and the DTAG. Industry is very supportive and appreciative of the revised §126.4.
- Per DDTC's request, we have identified several key issues the DTAG considers impediments to broader use of the exemption and have proposed recommendations to address these issues.
- We appreciate DDTC's continued interest in supporting and facilitating use of §126.4.
- Three main areas for DDTC to focus.

Clarity and Consistency on "Written Direction"
- **ISSUE:** As stated in the ITAR, §126.4(b)(2) authorizes exports without a license "at the written direction of a department or agency of the U.S. Government."
- What constitutes "written direction" remains unclear as department or agency interpretation and guidance is either unavailable, inconsistent, or varies significantly from agency to agency. This lack of clarity continues to drive confusion, and in some cases contradictory direction to industry.

21

- Departments and agencies define this differently or has little direction for industry.
- **RECOMMENDATION:** Provide a clear, concise and consistent definition of "written direction" across U.S. Government departments and agencies to promote use of the exemption in a comprehensive and compliant manner. The definition should specifically address when a valid U.S. Government contract constitutes written direction without a separate validation from an agency or department.
- Revise §126.4(b)(2) to allow exports within the scope of a contract or subcontract issued by a department or agency of the U.S. Government, without further written direction.
- The DTAG believes this will help settle out the differences amongst the departments and agencies and provide much needed clarity to industry.

Limited use of §126.4 in §126.1 Countries
- **ISSUE:** Many U.S. Government support contracts (e.g., sustainment or repair) require support to U.S. forces deployed in proscribed countries. These contracts often require exports to other U.S. contractors or coalition partners.
- §126.1(a) excludes the use of §126.4(b)(2) to export to proscribed destinations, even when the recipient is a U.S. contractor or a coalition partner. The inability to export defense articles to proscribed destinations, including the export of contractually required Personal Protective Equipment (PPE) for personal use, as a result of this exclusion results in delays that directly impact critical security cooperation activities.
- Unintentionally linking to §126.1 hampers industries ability to support U.S. Government contracts in these areas.
- **RECOMMENDATION:** Revise language under §126.1(a) to allow use of §126.4(b)(2) to proscribed destinations so long as no export occurs to an entity or person of the proscribed destination.

International Agreements
- **ISSUE:** In addition to exports at the "written direction of....", §126.4(b)(2) authorizes exports and the performance of defense services when such activities are pursuant to an international agreement or arrangement.
- In practice, what qualifies as a valid agreement or arrangement is a complex issue that is difficult to define. Limited visibility by industry into the scope and limitations of these agreements or arrangements further complicates industry's ability to utilize §126.4(b)(2).
- Very similar to the experience industry has under the §126.1 restrictions for §126.4(b)(2).
- **RECOMMENDATION:** Clearly define which international agreements and arrangements qualify under §126.4(b)(2). Provide additional guidelines or recommendations on processes for requesting definitive clarification on agreement or arrangement scope and limitations, as well as eligibility under§126.4(b)(2). (e.g., A statement or certification in a U.S. Government contract).
- The WG kicked around various ideas on how to address this particular issue such as creating a searchable list on DDTC's website.
- The DTAG will provide a White Paper summary of the discussion to include sample language that may be incorporated into the ITAR to provide clarity.
- In conclusion, the DTAG is prepared to assist DDTC as required.

Questions posed to the DTAG Observation - The Utility of §126.4 Discussion Working Group

- *Rob Hart, DDTC,* thanked the group. He expressed appreciation for keeping an open channel of communication with the DTAG as they work on these items. The observations presented today were about what they expected from prior conversations and Advisory Opinions submitted to DDTC. Regarding the discussion on §126.4(b)(2) use in §126.1 countries, the WG had some clever ideas there on how to allow to better support the U.S. Government. The presentation has given him a clear sense of where DDTC should focus with regard to the exemption. This has been productive dialogue that he hoped could continue. DDTC will work to provide clarification for this exemption.

Mr. Donovan indicated that due to the virtual nature of the Plenary, the DTAG was asked to vote earlier in the week for approval of the presentation. The vote passed favorably.

The DTAG Observation - The Utility of §126.4 Discussion Working Group "White Paper" will expand on the presentation and will be made available on the DDTC website (under the *About DDTC* tab, look for DTAG).

Wrap-Up and Concluding Remarks

Ms. Dynes led the **Wrap-Up** discussion.

Ms. Dynes expressed how much she is looking forward to continuing work with DDTC in future Plenary sessions. She thanked the Working Groups for their efforts and DDTC for their support and valuable input.

Ms. Dynes turned the meeting over to Mr. Miller for final comments.

DAS Miller thanked the DTAG once again for their efforts. Today's session struck a very collaborative tone and incorporated an excellent depth of content. These were complex topics and the DTAG has given DDTC a lot to think about. These are core elements of DDTC's work, these are not abstractions. This effort directly impacts their work. He expressed appreciation for all the details provided. Today's session validated the need in reevaluating these taskings from prior Plenaries. Having clear rules for industry is essential. The makeup of the DTAG membership (in-house counsel, outside counsel, practitioners, universities) bring the varying experiences DDTC wishes to hear from and it greatly helps with the ongoing dialogue.

Ms. Dynes concluded the session.

No written comments from the public were received by the Department of State prior to the Plenary meeting as permitted by the Federal Register Notice announcing the Plenary meeting. Any additional Q&A from the public should be sent to DTAG Recorder, Ms. Sandra Cross at sandra.cross@hii-co.com. Alternatively, additional questions or comments can be sent to DTAG@state.gov.

DDTC will publish the DTAG presentations, Plenary Meeting Minutes and White Papers on its website in short order.

Plenary Meeting concluded at 4:34 pm.

Meeting minutes recorded by Ms. Sandra Cross.

Approved on October 27, 2020 by:

Andrea Dynes
Chairman